



USAID
FROM THE AMERICAN PEOPLE



GRANTS MANUAL

Orangutan Conservation Services Program

JULY 4, 2007

This publication was produced by Development Alternatives, Inc. for review by the United States Agency for International Development under Contract No. 497-C-00-07-00016-00

Table of Contents

1.	General Description of Project.....	4
2.	Objectives	4
3.	Illustrative Activities.....	4
4.	Grant Terms.....	5
5.	Types of Grants	7
5.1	Simplified Grants.....	7
5.1.1	Overview	7
5.1.2	Disbursement.....	8
5.2	Fixed Obligation Grants.....	8
5.2.1	Overview	8
5.2.2	Requirements.....	8
5.2.3	Fixed Obligation Grant Implementation Plan.....	9
5.2.4	Disbursement.....	9
5.3	In-Kind Grants.....	10
5.3.1	Overview	10
5.3.2	Disbursement.....	10
5.3.3	The Standard Provision on Title to and Use of Grant Property.....	10
5.4	Blended In-Kind and Simplified Grants.....	11
5.5	Standard Grants	11
5.5.1	Overview	11
5.5.2	Disbursement.....	11
6.	Applicable Regulations.....	12
6.1	Grants to Indonesian Non-Governmental Organizations	12
6.2	Grants to U.S. Non-Governmental Organizations.....	12
6.3	Minimum Eligibility Criteria	13
7.	Competition.....	13
8.	Categories of Applications and Review Procedures.....	15
8.1	Public Requests for Applications.....	15
8.2	Direct Solicitations for a Specific Activity.....	16
8.3	Unsolicited Applications.....	17
8.4	Request for Applications (RFA) and/or Annual Program Statement (APS) Requirements and Concept Papers	18
8.5	Format for Concept Papers	19
8.6	Format for Grant Proposals.....	20
8.7	Selection Criteria.....	20
9.	Negotiation	21
9.1	Cost Analysis	21
9.2	Pre-Award Responsibility Determination.....	22
9.3	High Risk Organizations.....	22
9.4	Branding and Marking	23
9.5	Debarment and Terrorist Financing Searches.....	23
10.	Grant Award.....	24
10.1	Award Elements.....	24
10.1.1	Simplified Grant:.....	24
10.1.2	Fixed Obligation Grant:.....	24
10.1.3	In-Kind Grant:.....	25
10.1.4	Standard Grant:	25
10.2	USAID Approval.....	26

Grants Manual

11.	Grant Administration	26
11.1	Use and Disposition of Program Income.....	27
11.2	Cash Disbursements.....	28
11.3	Language.....	29
11.4	Termination and Suspension.....	29
11.5	Monitoring, Reporting, and Audits	29
11.6	Records	30
11.7	Publications and Media Releases	31
11.8	Marking.....	31
11.9	Amendments and Extension	32
11.10	Grantee Responsibilities	32
11.11	Conflict of Interest.....	33
11.12	Grant Files and Closeout.....	33
11.13	Bidding documentation (see <i>Grantee Procurement Procedures</i> below).....	34
12.	Grantee Procurement Procedures.....	35
12.1	Procurement Standards.....	35
12.2	Allowable Costs/Eligibility Rules for Goods and Services.....	35
12.3	Source, Origin, and Nationality.....	36
12.4	Recommended Procurement Procedures for In-Kind Commodities, by Dollar Amount	36
12.5	Equipment.....	37
12.6	Supplies	38
12.7	Travel.....	38
	Annex A: Sample Memorandum of Negotiation	39
	Annex B: Assistance on Branding strategy and Marking Plan and Provision regarding Marking under USAID-Funded Assistance Instruments	46

List of Acronyms

ADS	Automated Directive System, which is the official written guidance for USAID procedures.
APS	Annual Program Statement
CFR	Code of Federal Regulations. The applicable CFR sections for this grant program are: 22 CFR Part 226.21 through 226.90 Administration of Assistance Awards to U.S. Non-Governmental Organizations, as applied and applicable to U.S. and non-U.S. recipients.
COP	Chief of Party
CTO	USAID Cognizant Technical Officer
FOG	Fixed Obligation Grant
NGO	Non-Governmental Organization
PIO	Public International Organization
RFA	Request for Applications
USAID	United States Agency for International Development

I. GENERAL DESCRIPTION OF PROJECT

The Orangutan Conservation Services Program (OCSP) is a crisis response program that aims to maximize protection and long-term survival of viable orangutan populations in the wild. The program will work to arrest, reduce, or possibly eliminate threats to orangutans as well as address the major drivers behind those threats, including forest conversion and illegal logging.

2. OBJECTIVES

OCSP intends to provide a series of grants to support activities addressing the specific threats to orangutan populations and habitats identified in its threat analysis. OCSP prefers to work with local partners that have proven expertise and experience in managing effective orangutan conservation efforts in our target areas. Partners may include international, national, or indigenous organizations.

All grants must be fully consistent with OCSP strategies and priorities. OCSP ensures adequate coordination with implementing partners and other donor-funded interventions to avoid duplication of effort.

3. ILLUSTRATIVE ACTIVITIES

The following are examples of activities that may be supported by grant funds. These categories and activities are illustrative only; variations are likely to emerge in actual practice, in keeping with the needs and opportunities that arise during OCSP implementation.

- Provide conflict resolution services that could include:
 - Fostering conditions for open dialog and democratic processes for all stakeholders in establishing High Conservation Value Forest (HCVF) areas for orangutan habitats.
 - Facilitating demarcation of orangutan habitat and participatory approaches to deciding land uses and conservation management.
 - Establishing response centers for serving complaints and reports regarding issues on orangutan habitat conservation.
- Develop a sustainable financing scheme that transfers payments for environmental services to include a private sector partner as a buyer of services.
- Community development related to alternative income and partnerships to enhance conservation and livelihoods to address immediate threats.
- Build capacity through training for law enforcement related to illegal logging, illegal trade, or other forest crimes, possibly in collaboration with the US Department of Justice Programs for police training.
- Promote and improve multi-stakeholder based patrol systems.

- Build the capacity of Indonesian custom officials, including liaising with the ASEAN Wildlife Enforcement Network and support Indonesia's National Task Force to the Network to reduce illegal trade in orangutans.
- Facilitate the exchange of best scientific and conservation information.
- Facilitate dialogue to identify common threats in order to assist in establishing a common front to issues as yet not addressed; for example, influencing the creation of new policies or advocating the implementation of existing policies for conservation.
- Establish new GOI partners that may include the Ministry of Finance, the Director General of Customs and Excise, the Attorney General's Office, the police and Aceh's Agency for Reconstruction and Rehabilitation (Badan Rekonstruksi dan Rehabilitasi, BRR).
- Establish new relationships with non-traditional partners, e.g., logger communities, police forces, legal entities, universities, the private sector and other professionals.
- Provide technical support services to key government offices based on need and demonstrated desire to achieve conservation.
- Organize and implement multi-media campaigns to raise awareness of the immediate threats to the targeted orangutan population while also linking orangutan survival to human well-being.
- Use celebrities, religious leaders, or other well-known personalities to promote conservation efforts; they may come from different levels: local, national as well as international.
- Produce resource materials, capture lessons learned, and document problem-solving approaches and success stories among implementing orangutan conservation groups and various cross-sector programs.
- Share best available scientific information to partners and decision makers aimed at improving awareness of orangutan habitat conservation issues.

4. GRANT TERMS

Grants will be structured, timely, quantified, and, whenever possible, used in combination with and in order to leverage other financial resources, including cost-sharing with grantee funds and in-kind contributions.

OCSF may not award any grant for a period that extends beyond the estimated completion date of the OCSF contract ("the Contract"). The terms of all grants shall allow for an orderly close-out prior to the expiration date of the Contract.

Any interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by OCSF (the "Separate Account"). DAI can have no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be refunded at least annually to USAID, as directed by the CTO. On a quarterly basis, any interest having accrued in the account must be refunded to the US Treasury. Please contact DAI/Bethesda for assistance with the paperwork for these refunds.

Additionally, grants:

- May be awarded for variable amounts and for variable periods.
- May come under one or multiple categories of assistance.
- May cover all or only a portion of specific activities or costs.
- May be used to cover operational or administrative costs of an organization (such as salaries, honoraria, consulting fees, stipends, travel and per diem, data collection, analysis, communication and document preparation, workshops, conference participation, equipment, and other costs as may be approved).

Cost-sharing or matching refers to that portion of project or program costs not borne by OCSP. All contributions, including cash and third party in-kind contributions are acceptable as part of the recipient's cost-sharing or matching when they meet the criteria established in the standard provision governing recipient contributions. Grant cost-sharing must be in conformance with applicable USAID guidance: specifically, the Required as Applicable Standard Provision entitled "Cost Sharing." It is USAID's policy not to apply its source, origin, and nationality requirements or the "restricted goods" provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" on cost-sharing amounts. In accordance with 22 CFR 226.24, program income (as discussed in *Use and Disposition of Program Income*, below) may be used to finance the required non-U.S. government cost-share portion of the grant award.

For OCSP, matching contributions in cash or in-kind from non- U.S. government sources should equal at least 25 percent of the cost of activities undertaken by US grantees. OCSP highly encourages Indonesian grantees to provide as much cost matching as they reasonably can.

Where possible, OCSP will assist the grantee to identify and facilitate cost sharing mechanisms. OCSP will provide USAID with an accounting of the final value of the project and the percentage of overall project costs represented by grantee (or beneficiary) cash, labor, materials, equipment or support services, which will be included in the grant file. In cases where the Grantee (such as a local NGO) is implementing a project on behalf of the direct beneficiaries, then the Grantee should assist the beneficiaries in identifying appropriate and reasonable cost sharing mechanisms. Further guidance on Cost Sharing can be found in ADS 303.3.10.

All grants awarded under OCSP's grant program shall include the following standard clause:

The Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all sub-awards issued under this agreement.

The grantee will also be required to sign the certification regarding terrorist financing.

5. TYPES OF GRANTS

There are four basic grant types permitted under OCSP: Simplified, Fixed Obligation (FOG), Standard, and In-Kind. The descriptions in the sections below are aimed at helping project management to determine which format, given its associated requirements and parameters, is appropriate and practical for each grant activity.

5.1 Simplified Grants

5.1.1 Overview

The simplified format is used only when the grant meets *all* of the following conditions (per ADS 303.3.24):

The assistance instrument is a grant not a cooperative agreement;

The total value of the grant does not exceed \$100,000 for U.S. organizations and \$250,000 for non-U.S. organizations;

All costs to be charged to the grant are identified in the grant text and do not include international airfares or indirect costs;

Any goods to be purchased by the grantee meet the rules governing local cost financing and geographic code and do not include ineligible or restricted goods, and no single item having a useful life of over one year and an acquisition cost of \$5,000 or more shall be purchased;

The grant includes language requiring the grantee to allow Contractor access to its records for up to three years, and that the grantee will refund to the Contractor any funds it received for any costs that did not meet the terms and conditions of the grant;

Sub-agreements, if any, must meet the same conditions listed here for simplified format grants;

The grantee is required to sign the applicable certifications listed in ADS 303.3.8; and,

The recipient shall receive payments on a reimbursement basis (i.e., no advances are allowed); the grantee must also demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant since the grant is cost reimbursable upon presentation of receipts.

No indirect costs are allowed under simplified grants.

In exceptional cases, OCSP may modify the format for simplified grants for non-U.S. organizations to include support of international travel or the purchase of equipment, as long as the applicable standard provisions for those types of activities are attached to the grant award. An additional requirement for inclusion of international travel in the grant agreement is that it may only be included after prior consultation with the USAID Contracting Officer.

5.1.2 Disbursement

Simplified grants are cost reimbursable agreements whereby OSCP will reimburse the grantee for costs. Because these are reimbursement agreements, the grantee will not receive payment until after presenting receipts showing actual costs. OSCP will structure the payments so that there is no possibility of the grantee expending less than the amount received. Grantees may not receive more than 90 percent of the total budget amount prior to submission of the final program report, final financial report, and any required certifications. Upon submission of these documents, OSCP will issue the final payment.

5.2 Fixed Obligation Grants

5.2.1 Overview

If appropriate (see *Requirements* below), OSCP has the option of utilizing the fixed obligation grant format. This format allows for the award of a grant for very specific program elements without the need for OSCP to monitor the actual costs subsequently incurred. It is intended to support specific projects where costs are certain, and where the accomplishment of grant "milestones" is readily discernible.

A discussion by the Grants Manager of the appropriateness of this type of grant and appropriate project milestones must be included in the documentation of the grant negotiations. Partial payments may be made upon demonstration of achieved results, and payment amounts should reflect the relative value of the benchmarks achieved. Payment is always made on a reimbursement basis (i.e., no advances are allowed.)

5.2.2 Requirements

The Grants Manager must ensure the appropriateness of issuing a fixed obligation grant based on the following factors:

- The grant meets the applicable conditions of the Simplified Grants listed above;
- Programmatic accomplishments or results are easily identified and quantified, and are established in grant milestones;
- There is very limited risk that the project will be subject to changes;
- There is adequate cost information (historical or unit pricing) available to determine and negotiate the fixed price of the grant;
- It is essential that the Grants Manager have sufficient cost information to allow for negotiation of the payments and to make sure that the amount requested will be an accurate estimate of the actual costs of the effort so that the grantee does not receive a windfall upon completion of the project;
- OSCP must be satisfied that this type of grant fits within the objectives of the project, and OSCP is not to use it as an alternative way of awarding to a High Risk Grantee. The Grants Manager or his/her designee must include a discussion of the appropriateness of this type of grant in the Memorandum of Negotiation;
- Grantees will be informed, through a clause in the grant format, of the right of OSCP to terminate the grant in whole or in part, or suspend payments, should the grantee become insolvent during performance of the award;

- At the end of the grant, grantees must certify in writing to OCSP that the activity was completed. If the grantee cannot certify completion, or if OCSP determines that the activity was not completed, DAI may require the grantee to make appropriate refunds; and

While the grant is fixed price, the grantee must demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant.

5.2.3 Fixed Obligation Grant Implementation Plan

Once use of the fixed obligation grant format has been approved, a detailed implementation plan will be developed by the grantee, in collaboration with OCSP grants or technical personnel, in order to finalize the milestones and budget. The implementation plan will include:

- Result or results to be achieved (measurable goals);
- Responsibilities and contributions of each party to the grant;
- Well defined milestones and verification requirements for each achieved milestones (including analyzed costs);
- Type of payment mechanism (in-kind or reimbursement payment to grantee) and payment amounts per milestone; and,
- Timelines for achievement of results and deliverables.

5.2.4 Disbursement

All disbursements under Fixed Obligation Grants will be made upon the submission of evidence that a milestone has been achieved. Typical examples of such evidence include work-plans, technical reports, financial reports, the finalization of a list of training participants, the completion of a phase of an infrastructure project, etc. The following is an example of how a disbursement schedule might be structured under a Fixed Obligation Grant:

Example: Community Awareness Campaign

Activity Goal: Building community awareness of proper ways to identify and mitigate the spread of zoonotic disease

Budget: \$7,500 USD

Milestone	Description	Disbursement
1	Work plan drafted and approved	\$2,500
2	Packet of zoonotic disease awareness materials prepared	\$1,500
3	Packets printed and distributed to 1,200 households	\$1,500
4	Four community round-tables held to discuss information and answer questions	\$500 × 4 = \$2,000
Total		\$7,500

Setting the milestones in FOGs is critical. While achievement of a milestone is necessary to trigger a disbursement, it is not necessary to make a disbursement for every milestone.

5.3 In-Kind Grants

5.3.1 Overview

Under the In-Kind grant format, goods and services are procured directly by OCSP in close correspondence with the grantee. Once purchased, goods and services are delivered immediately to the grantee or to the grant activity. All procurement undertaken on the grantees' behalf by OCSP will be done in compliance with USAID's procurement regulations.

The In-Kind Grant is used primarily for local NGOs that are unable to demonstrate the minimum level of financial management capacity required to receive Fixed Obligation Grants, Simplified Grants, or Standard Grants. This format should not be used for international NGOs due to the fact that such organizations generally possess adequate capacity to manage cash.

5.3.2 Disbursement

No disbursements are made directly to the grantee under an In-Kind Grant. Rather, OCSP procures all necessary commodities and services on behalf of the grantee. This does not mean, however, that the grantee is not an active partner in deciding how the funds are to be utilized. While OCSP will ensure the integrity of any procurement and make the final payment itself, the grantee can provide input as to what is needed and gather quotes from possible service-providers or vendors.

5.3.3 The Standard Provision on Title to and Use of Grant Property

An important aspect of implementing In-Kind Grants is ensuring that all program property is properly used and disposed of once the grant is complete. Once procured, the grantee is required to use and conserve the property for the purposes specified in the project awarded

with the grant, according to the Standard Provisions: “Title to and Use of Property (Recipient Title: \$50,000 and under)” and “Title to and Use of Property” (Recipient Title: Over \$50,000).

The provisions are found in ADS 303, Internal Mandatory References, Standard Provisions for Non-U.S. Nongovernmental Recipients under Required as Applicable Standard Provisions (<http://www.usaid.gov/policy/ads/300/303mab.pdf>).

The Grantee will provide OCSP with a complete list of all non-expendable property, its location and condition within 45 days prior to the end of the period of performance. The Grantee will provide OCSP with a copy of the plan to transfer this equipment. Within 45 days, OCSP will give its reply about the actual transfer. All such property dispositions must be approved by the USAID Contracting Officer.

5.4 Blended In-Kind and Simplified Grants

In some circumstances OCSP may elect to use an In-Kind disbursement in support of a Simplified Grant. Such an approach is useful when the Simplified Grant format is the most appropriate format overall, but the purchase of a single costly item inhibits the use of a Simplified Grant due to the fact that the grantee does not possess the cash on hand to make such a purchase. In this circumstance, OCSP will proceed with the Simplified Grant while including a single In-Kind transfer under the auspices of the original grant. If the grantee receives such an In-kind transfer, the Standard Provision on Title to and Use of Property referred to above (Section D.3.c.) must be followed.

5.5 Standard Grants

5.5.1 Overview

If a grant situation does not meet the above conditions for a simplified or fixed obligation grant, OCSP will follow the standard grant format and include all required or necessary standard provisions for both US and Non-U.S. Non-Governmental grantees in the grant agreement.

The standard grant format allows for advances and requires detailed monitoring of actual costs incurred. As part of financial reporting, all receipts and invoices must be submitted to OCSP to reconcile advances. Under these procedures, successful organizations must demonstrate sufficient financial and management responsibility before OCSP can award the grant.

5.5.2 Disbursement

With standard format grants, OCSP may advance grant funds to cover the first two months of project costs. Beginning with Month Two, the grantee will be reimbursed for the previous month's actual expenses upon submission and approval of a monthly financial report. In no case will the grantee be reimbursed for greater than 90 percent of the total grant amount prior to submission of final financial and program closeout reports. The schedule of disbursements will be subject to negotiation with the grantee and will be related to the requirements of the grant activities and the type of grant in question.

6. APPLICABLE REGULATIONS

Grants may be made to Indonesian and US Non-Governmental Organizations under the provisions described below.

6.1 Grants to Indonesian Non-Governmental Organizations

The requirements for this type of award are contained in several applicable federal regulations and USAID administrative standards. These regulations include:

Mandatory Standard Provisions for Non-U.S., Nongovernmental Recipients;

Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Recipients,
<http://www.usaid.gov/policy/ads/300/303mab.pdf>

- ADS 303, <http://www.usaid.gov/policy/ads/300/303.pdf>;

OMB Circular 122 “Cost Principles for Non-Profit Organizations,”
<http://www.whitehouse.gov/omb/circulars/a122/a122.html>;

Section 579 Reporting on Payment of Foreign Taxes,
<http://www.usaid.gov/policy/ads/300/updates/iu3-0314.pdf>.

6.2 Grants to U.S. Non-Governmental Organizations

The requirements for this type of award are contained in several applicable federal regulations and USAID administrative standards. These regulations include:

Mandatory Standard Provisions for U.S., Nongovernmental Recipients;

Required as Necessary Applicable Standard Provisions for U.S., Nongovernmental Recipients,
<http://www.usaid.gov/policy/ads/300/303maa.pdf>;

- ADS 303, <http://www.usaid.gov/policy/ads/300/303.pdf>;

OMB Circular 122 “Cost Principles for Non-Profit Organizations,”
<http://www.whitehouse.gov/omb/circulars/a122/a122.html>;

- 22 CFR Part 226, in particular 226.20 through 226.28,
<http://www.usaid.gov/policy/ads/cfr.html#22>;

Section 579 Reporting on Foreign Taxes, <http://www.usaid.gov/policy/ads/300/updates/iu3-0314.pdf>.

Cash disbursements for U.S. NGOs usually will be made by the home-office backstopping team directly into the U.S. bank account of the NGO.

6.3 Minimum Eligibility Criteria

Grants may be awarded on either a solicited and unsolicited basis. In order to meet minimum eligibility criteria for grant competition, proposals must:

- Meet at least one of the OCSP objectives and principles noted above in Sections I and II.A.;
- Contain expected outcomes and results consistent with and linked to OCSP's objectives;
- In most cases, contain evidence of significant cost share on the part of the applicant; and,
- Be submitted by eligible organizations.

The following organizations are INELIGIBLE:

- any entity which is a "private voluntary organization" ("PVO") but has not registered as such with USAID;
- any entity whose name appears on the "List of Parties Excluded from Federal Procurement and Non-Procurement Programs";
- any Public International Organization, such as an organ of the United Nations, multilateral development bank, or International Agricultural Resource Center (IARC);
- any governmental organization;
 - any entity whose country of origin/nationality is not the Cooperating Country (Indonesia) or the United States;
- any entity affiliated with DAI or any of its directors, officers or employees; or;
- individuals.

OCSP staff will screen all concept papers and applications to ensure compliance with all eligibility requirements prior to forwarding the materials as necessary. In the case of an unregistered PVO that OCSP believes might be able to undertake useful grant activities to further the Program, OCSP may encourage the organization to register as a PVO with USAID, provided that OCSP makes no promise, express or implied, that the organization shall thereafter receive a grant.

7. COMPETITION

It is OCSP policy to require all grants to be awarded competitively unless a specific exception is authorized. The competition requirement is met when an announcement has been published according to the procedures outlined in this manual. Recommendations for awards are made following an impartial review and evaluation of all applications.

It is OCSP policy to ensure maximum competition by seeking applications from all eligible and qualified entities. Establishing a tiered competition with two or more levels (i.e., prequalification round plus application round) is in keeping with this policy, as long as applications are reviewed in a fair manner at each level. Competition may also be limited to local organizations for appropriate projects.

Competition is not required for the following categories of assistance awards, pending USAID authorization:

- *Amendments and follow-ons.* Amendments to existing awards or follow-on awards, either for the same activity or to further develop an existing assistance relationship, for amounts equal to or less than the original grant.
- *Unsolicited applications.* The application must be submitted solely on the applicant's initiative without any prior formal or informal solicitation. Awards may be made where the application clearly demonstrates a unique, innovative, or proprietary capability: represents appropriate use of project funds to support or stimulate a public purpose: and fits within an existing OCSP strategic objective as determined by the Grants Manager along with the COP. The burden of proof that the application is indeed "unsolicited" (i.e., is submitted without prior formal or informal solicitation) rests with OCSP's Grants Manager and must be documented.
- *Exclusive or Predominant Capability.* Assistance awards for which one recipient is considered to have exclusive or predominant capability based on proprietary capability, specialized facilities, or technical expertise, or based on an existing unique relationship with the cooperating country or beneficiaries.
- *Small Awards.* Awards with an estimated total amount of \$100,000 or less and with a term of no more than one year. The award cannot be amended to add funds in excess of \$100,000 or extended beyond one year. The grant file must justify how the award meets the exception.
- *Critical Objectives of the Program.* When circumstances are determined to be critical to the objectives of OCSP, or when the non-provision of a specific grant would impede the achievement of OCSP's results and/or the fulfillment of U.S. foreign assistance objectives, USAID may formally waive competition requirements based on justification explaining the circumstances that require using this exception. The memorandum must also discuss what other options DAI explored and the justification may not be tied to any of the other exceptions
- *Local Competition.* Competition may be limited to local or regional (indigenous) organizations. If a competition is limited to local or regional organizations U.S. organizations may not compete for award unless the program is re-advertised to provide all U.S. organizations with a fair opportunity to compete for award.

All noncompetitive awards must be justified in writing and approved by the USAID Contracting Officer.

8. CATEGORIES OF APPLICATIONS AND REVIEW PROCEDURES

Applications for grants will fall into one of three categories:

- Applications solicited through public notification (see *Public Requests for Applications* below) for a specified program or support activity;
- Applications solicited directly (see *Direct Solicitations for a Specific Activity* below) from selected potential grantees for a specific activity; and,
- Unsolicited applications (see *Unsolicited Applications* below).

All grants will require an application and will undergo a review and approval process. All grant applications, whether funded or rejected, shall be retained on file.

Review procedures may vary slightly among the four categories of grant applications. Additionally, all information received from applicants shall be considered proprietary and held in strict confidence by those individuals who review it to protect the integrity and privacy rights of the grant applicant.

The Grants Manager will take steps to ensure that members of any review panels, as well as any staff involved in the review/approval, do not have any conflicts of interest or the appearance of such with regard to the organizations whose applications they will be reviewing. An individual shall be considered to have the appearance of a conflict of interest if that person—or that person's spouse, partner, child, close friend or relative—works for, is negotiating to work for, or has a financial interest (including being an unpaid member of a Board of Directors) in any organization which submitted an application under the review panel's review, or, contributed on any level to any component that resulted in a grant award. In such cases, the panel should carefully review the situation, consult DAI/Bethesda's Contracts Department, and in coordination with USAID, determine the appropriate action required to avoid or mitigate such conflict and ensure impartiality in the award of grants under the program. Members of the review panel should neither solicit nor accept gratuities, favors, or any other types of gift from parties to sub-agreements. The Contracting Officer will approve in advance all members of the review panels

8.1 Public Requests for Applications

OCSP will publish an RFA for most grants. Specific evaluation criteria and a methodology will be established as part of the RFAs, and the following procedures will be followed:

1. *RFA Preparation.* The RFA document will be prepared and approved by the Grants Manager in coordination with the COP or Deputy COP and the DAI Contracts Office (see *Request for Applications (RFA) and/or Annual Program Statement (APS) Requirements* for additional information on the contents of the RFA). This will include Evaluation Criteria. Evaluation criteria must be coordinated with the CTO.
2. The CO must give prior approval to all RFAs prior to publication

3. *Public Notice.* A notice will be made in at least three newspapers with widespread distribution, in relevant local newspapers as well as in electronic media.
4. *RFA Distribution.* The RFA will be distributed to all organizations that request it. Applications will be due according to the due date(s) listed in the RFA with the possibility of any extension published in the same newspaper(s) as the RFA.
5. *Application Development.* Applicants will develop their applications. For two-stage applications, after the Concept Paper Review Panels recommend projects for full applications development, OCSP staff will work with selected potential grantees to develop their applications. At this time, OCSP staff will also conduct a financial management capacity assessment.
6. *Clarifications.* As necessary, OCSP will provide written answers to written questions from applicants during the proposal process. During evaluation, the Grants Manager will make any requests for clarifications and/or additional information from applicants needed for the review panel to evaluate and make recommendations. It is expected that the time frame for clarifications during the application process and the evaluation process will be less than one week.
7. *Review Panel Final Recommendation.* The Review Panel will evaluate the application submissions and make a recommendation to fund, not fund, or take any other action.
8. *Negotiation.* Final technical and cost aspects of the proposal will be negotiated with selected grantees.
9. *USAID Approval.* All grant awards are contingent on the prior written approval of USAID. USAID approval requests will detail:
 - The identity of the proposed grantee;
 - The amount of the proposed grant;
 - The brief nature of the grant activities; and,
 - The previous experience of the proposed grantee.
10. *Award.* Upon receipt of the necessary USAID approval, the Grants Manager may execute the grant agreement(s).

8.2 Solicitations for a Specific Activity

Where a proposed project activity is suitable for grant rather than subcontract funding, OCSP may solicit applications for grants for a specific activity that supports the project's technical assistance and/or training activities as described in the *Objectives* section at the beginning of this manual.

OCSP staff, in consultation with the Grants Manager and COP or his/her designee, will proceed in identifying candidates and selecting grant activities in accordance with the following procedures:

1. *Activity Identification.* Identify a specific activity that supports project technical assistance, training, and/or any other activity that can be assisted by grant funding under the terms provided in this manual, and provide a list of potential grantees with the capacity to carry out the identified program.
2. *Definition of Objectives.* Define a set of objectives for the activity and selection criteria for applicants, and submit the requirements and supporting documentation to the Grants Manager for preparation of the corresponding RFA. Selection criteria are to be closely coordinated with USAID.
3. *Establishment of Grants Committee.* An internal project committee will evaluate applications based on the criteria established and will prepare a written record of the results. The record will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.
4. *Negotiation.* Final technical and cost aspects of the proposal will be negotiated with selected grantees.
5. *USAID Approval.* All grant awards are contingent on the prior written approval of USAID. USAID approval requests will detail:
 - The identity of the proposed grantee;
 - The amount of the proposed grant;
 - The nature of the grant activities; and,
 - The previous experience of the proposed grantee.
6. *Award.* Upon receipt of the necessary USAID approval, the Grants Manager may execute the grant agreement(s).

8.3 Unsolicited Applications

Unsolicited applications for grants to do activities that support the broad objectives of the project will be reviewed on an ongoing basis. OCSP staff, in consultation with the COP or his/her designee, will proceed to screen application(s) and recommend grantees for concurrence in accordance with the following procedure:

1. *Application Screening.* The Grants Manager or designee will screen applications based on the minimum eligibility requirements.
2. *Grants Committee.* An internal project committee will evaluate applications based on the objectives of the project and prepare a written record of the results. The record will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.
3. *Negotiation of both technical and cost proposal*
4. *USAID Approval.* USAID must approve, in advance and in writing, all grant awards.
5. *Final Approval.* Upon receipt of the necessary approval, the Grants Manager may execute the grant agreement(s).

6. OCSP will ensure USAID participation in all stages of the process.

8.4 Request for Applications (RFA) and/or Annual Program Statement (APS) Requirements and Concept Papers

RFAs and concept papers shall contain (see ADS 303.3.5.2 and 303.3.5.4 for more details):

1. A general description of the proposed program with an indication of the range of activities that might be involved, and the established goals of the activity, if any, which the applicant is expected to meet. The level of detail in the program description will depend on the requirements of the strategic objective.
2. How the award will be administered. For non-U.S. organizations, the RFA must state the Standard Provisions for Non-U.S. Nongovernmental Recipients will apply. For U.S. organizations, the RFA must state that 22 CFR 226, OMB Circulars, and the Standard Provisions for U.S. Nongovernmental Recipients will be applicable. Instead of attaching complete copies of 22 CFR 226 and the OMB Circulars to the RFA, the RFA directs applicants to the source where they may obtain copies (for example, indicate the name of the person they may contact, or the USAID homepage address on the Internet, or other Internet addresses).
3. An estimate of funds available for the RFA/APS and number of awards anticipated, including a statement to the effect that OCSP reserves the right to fund any or none of the applications submitted.
4. Expected duration of OCSP support or the period of performance.
5. Minimum eligibility requirements.
6. Qualification requirements, i.e., clear identification of types of entities that may apply.
7. Point of contact, including name, title, address, e-mail address, and phone and fax numbers, where a potential applicant can get any materials they may need to apply or state that the RFA contains everything a potential applicant needs to apply.
8. Required certifications.
9. Required format for the application.
10. Deadline for submission of application, how it is determined that the application is received in time, and the consequences of late submission.
11. Any funding restrictions (such as limitations on direct costs or no indirect costs, etc.) and whether or not the award will or will not allow the reimbursement of pre-award costs.
12. The selection criteria used to evaluate applications, including an indication of their relative importance.
13. The required cost-sharing element and, if used as part of the review process (i.e., more than just an eligibility factor) an explanation of how evaluated (should be a sub-element of cost effectiveness).

14. Description of the review and selection process.
15. What a successful applicant can expect to receive following selection.
16. Requirements and expectations regarding reporting.
17. Information regarding points of contact for questions.
18. Statement to the effect that OCSP/USAID reserves the right to fund any or none of the applications submitted.
19. Any other relevant information.

An APS must conform to requirements listed in APS 303.3.5.4 (you may also refer to the DAI Grant Program Implementation Manual for specific elements of an APS).

If OCSP decides to require cost sharing, it must state the requirements in the competitive announcement. Further information on including cost sharing in RFAs and APSs and on evaluating cost sharing can be found in ADS 303.3.10.3. If USAID directs OCSP to address specific environmental concerns in the activity, OCSP must incorporate these and state any such requirements in the RFA or APS.

8.5 Format for Concept Papers

The concept paper shall include:

Cover Page/Introduction:

1. Name and address of organization;
2. Type of organization (e.g., for-profit, non-profit, university, etc.);
3. Contact point (lead contact name; relevant telephone, fax and e-mail information). Regional or multi-country applications should provide the name of at least one local partner for each country targeted in the program;
4. Names of other organizations (federal and non-federal as well as any other USAID offices) to whom you are/have submitted the application and/or are funding the proposed activity; and
5. Signature of authorized representative of the applicant.

Technical Information:

1. Concise title and objective of proposed activity;
2. Discussion of the objectives, the method of approach, the amount of effort to be employed, the anticipated results, and how the work will help accomplish USAID's as well as the field Mission's specific strategic results within the field Mission's timeframe; and
3. Type of support the applicant requests from USAID (e.g., funds, facilities, equipment, materials, personnel resources, etc.).

Supporting Information:

1. Proposed estimated cost;
2. Detailed cost breakdown (e.g., salaries, travel, etc.);
3. Proposed amount of the applicant's financial as well as in-kind participation;
4. Proposed amount of prospective or existing partner(s) financial as well as in-kind participation;
5. Proposed duration of the activity; and
6. Brief description of applicant's, as well as prospective or existing partner(s') previous work and experience.

8.6 Format for Grant Proposals

The format for proposals will vary in accordance with the technical specifications and kind or type of grant. The following format is typical:

- Cover Letter
- Application Document
- Summary and Background
- Project Description
- Statement of Goals, Objectives, Activities, and Results
- Beneficiaries
- Other Donors
- Outreach
- Monitoring Project Success
- Continuation of Activities, if relevant
- Project Work Plan (including benchmarks if for a Fixed Obligation Grant)
- List of Team Members, including Scopes of Work and CVs
- Projected Grant Budget and Budget Notes
- Statement of Cost Sharing (including applicant's contribution in money or in kind).
- Other attachments; could include registration documents, financial capability questionnaire, branding and marking strategies, etc.

8.7 Selection Criteria

Grant applications that meet minimum eligibility criteria (see *Minimum Eligibility Criteria* above) will be reviewed and awarded based on selection criteria, which should include but need not be limited to:

- Demonstrated capacity of organization, including sound financial practice, in areas pertaining to the proposed activity;
- Responsiveness to need;
- Potential for impact;
- Likelihood of proposed activity to further project objectives; and,
- Appropriateness and feasibility of project activities within the proposed timeframe and budget.

The competency, suitability, and capability of eligible applications will be evaluated based on the established criteria. The evaluation may entail interviewing, site visits, background research, and/or solicitation of additional information. The Grants Manager or his/her designee will prepare a written record of the results of the evaluation. The written record will account for how the application was evaluated in terms of the selection criteria and will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.

9. NEGOTIATION

9.1 Cost Analysis

Each cost element of the program description shall be reviewed by the Grants Manager to determine whether it is reasonable and allowable in accordance with the applicable cost principles for U.S. Federal government grants. The extent of the cost analysis will vary among grant types and should be determined by the Grants Manager on the basis of the nature of the program, past experience with the applicant, and the amount and type of costs involved.

Specifically, the cost analysis will assist in determining:

- The extent of the prospective grantee's understanding of the financial aspects of the program and the grantee's ability to perform the grant activities with the funds requested;
- The extent to which the applicant's plans will accomplish the program objectives with reasonable economy and efficiency; and,
- The special conditions, if any, relating to costs that are placed in the award.
- If necessary, OCSP will negotiate the budget to ensure that costs are realistic, reasonable allowable and allocable. The negotiation process must be documented, along with other pre-award determinations in a Memorandum of Negotiation. The Memorandum of Negotiation must include the cost analysis and provide any other relevant details on points negotiated (please see Annex A for a sample Memorandum of Negotiation).
- Note: If the grant is a FOG, the Grants Manager or his/her designee must include a discussion of the appropriateness of this type of grant in the Memorandum of Negotiation.
- If program income ("gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award") is anticipated during the award period, the purpose, procedures and use of this income by the grantee or donation by the grantee to another organization must be specifically stated in the award. The complete definition of program income is found at 22 CFR 226.2 [<http://www.access.gpo.gov/nara/cfr/>]; suggestions on how to direct the use of program income are found at 22 CFR 226.24 and program income may be used to finance the grantees' cost-share of the grant award.

In cases where OCSP awards a grant to for-profit entities, OCSP will avoid the direct receipt or deposit of grantee program income to a DAI-controlled bank account under the grants program. If award of a grant to a for-profit entity becomes necessary, the advice and guidance of the

DAI/Bethesda Senior Contracts Administrator shall be sought prior to opening discussions with the prospective for-profit grantee(s).

9.2 Pre-Award Responsibility Determination

The recommendation or selection of an application in accordance with established procedures does not guarantee an award. All applicants must demonstrate that they possess, or have the ability to obtain, the necessary management competence to practice mutually agreed upon methods of accountability for funds and other assets provided. While 22 CFR 226 does not cover awards to non-U.S. recipients, OCSP shall rely on the standards established in that regulation in determining whether potential non-U.S. recipients are responsible. To assist in making this determination, OCSP shall conduct an informal survey using a financial capability questionnaire that would generally include a review of the applicant's recent audited financial statements, projected budget, cash flow, and organization chart, and applicable policies and procedures (e.g., accounting, purchasing, property management, personnel), if appropriate. The level of scrutiny and review required shall be proportional to the complexity of the grant program contemplated and the total amount of the grant.

In cases that require further information, OCSP may also verify financial responsibility and institutional capability by inspections, letters from other donors, and/or on-site visits.

As mentioned, the cost analysis, pre-award determinations, and negotiation process must be documented in a Memorandum of Negotiation (please see Annex A for a sample Memorandum of Negotiation). The written determination of the applicant's responsibility should confirm that the applicant:

- Has adequate financial resources, or the ability to obtain such resources, as required during the performance of the award;
- Has the ability to meet the award conditions, taking into consideration all existing prospective recipient commitments, nongovernmental and governmental;
- Has a satisfactory record of performance. Generally, relevant unsatisfactory performance in the past is enough to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance, or the applicant has taken adequate corrective measures to assure that they will be able to perform satisfactorily;
- Has a satisfactory record of business integrity; and,
- Is otherwise qualified to receive an award under applicable laws and regulations.

9.3 High Risk Organizations

If OCSP evaluates the financial capabilities of a grantee and determines that they are limited or deficient, they will classify them as high-risk organizations per ADS 303.3.9.2, which invokes the statutes of 22 CFR 226.14 to allow for closer monitoring requirements. Specific techniques to address this high risk include, but are not limited to: (1) Special award conditions, such as additional financial reporting detail or frequency; and (2) Providing technical assistance to the grantee. This option may be only used for such a period of time until the potential recipient can correct any institutional deficiencies, but not for the life of the award.

9.4 Branding and Marking

During negotiation, the potential grantee will devise a branding strategy and marking plan, with assistance from OCSP as necessary. It is a federal statutory and regulatory requirement that all USAID programs, projects, activities, public communications, and commodities that USAID partially or fully funds under a USAID grant or cooperative agreement or other assistance award or sub-award, must be marked appropriately overseas with the USAID identity. See Section 641, Foreign Assistance Act of 1961, as amended, and 22 CFR 226.91. Under the regulation, USAID requires the submission of a Branding Strategy and Marking Plan, but only by the “apparent successful applicant,” as defined in the regulation. See ADS 303.3.6.3f for details on approval and exceptions.

The branding strategy should describe how the program, project, or activity is named and positioned; how it is promoted and communicated; and identifies all donors and explains how they will be acknowledged. The Marking Plan should detail the public communications, commodities, and program materials intended to visibly bear the USAID Identity. For additional assistance on writing Branding Strategies and Marking Plans, please see Annex B.

9.5 Debarment and Terrorist Financing Searches

To ensure that OCSP does not award grants to applicants that have been debarred, suspended or proposed for debarment, apparently successful applicants will be checked against the US Government’s Excluded Parties List. As such, OCSP staff will perform a search for the applicant’s name on the Excluded Parties List (<http://epls.arnet.gov>) and document the outcome.

Moreover, to prevent against providing support to entities determined to have committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests, OCSP staff must compare each proposed grant action against specific databases. OCSP must:

Check the master list of Specially Designated Nationals and Blocked Persons, which is maintained by the US Treasury’s Office of Foreign Assets Control (OFAC) and is available at OFAC’s website: <http://www.treas.gov/offices/eotffc/ofac/sdn/tl1sdn.pdf>

Verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the “1267 Committee”) [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee’s website: <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

Supporting documents showing that these searches have been performed must be printed and filed. They should also be recorded on TAMIS and submitted to USAID as part of the concurrence request.

Executive Order No. 13224 also deems that the Prime Recipient (i.e., DAI) will consider all information about potential grantees of which it is aware and all public information that is reasonably available to it or of which it should be aware. Locally available information (newspapers, radio, television, etc.) may be used to ascertain whether an individual or organization is defined within the Executive Order parameters. In other words, DAI is not absolved of responsibility for providing support to an individual or organization just because he/she/it doesn’t appear on the database searches if OCSP staff members should have reasonably

known that the person or company has committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests.

10. GRANT AWARD

10.1 Award Elements

After financial management and responsibility requirements have been satisfied and final negotiations completed, the Grants Manager, with the assistance of requisite staff, will prepare a specific grant agreement for each grantee in accordance with the appropriate format for the type of grant agreement approved. All grant agreements must include a program description that identifies the goals and objectives of the grant project, the specific activities to be carried out, and the measurable results to be achieved.

At minimum, the components for the various types of grant agreements include:

10.1.1 Simplified Grant:

1. Award Letter
2. Program Description
3. Program Budget
4. Grant Payment Application Form
5. Reporting on Payment of Foreign Taxes
6. Report Format
7. Required Certification/s
8. Branding Strategy and Marking Plan
9. Mandatory Standard Provisions and Required as Applicable Provisions

10.1.2 Fixed Obligation Grant:

1. Award Letter
2. Program Description
3. Program Budget
4. Grant Payment Application Form
5. Reporting on Payment of Foreign Taxes
6. Report Format

7. Required Certification/s
8. Branding Strategy and Marking Plan
9. Mandatory Standard Provisions and Required as Applicable Provisions

10.1.3 In-Kind Grant:

1. Award Letter
2. Program Description
3. Program Budget
4. Standard Mandatory Provisions and Applicable Provisions on Title to and Use of Property
5. Required Certification/s
6. Branding Strategy and Marking Plan
7. Report Format

10.1.4 Standard Grant:

1. Award Letter
2. Description of Award
3. Program Description
4. Program Budget
5. Standard Provisions
6. Mandatory Standard Provisions for Non-U.S. Non-Governmental Grantees
7. Required as Applicable Standard Provisions for Non-U.S. Non-Governmental Grantees
8. Required Certifications
9. Grant Payment Application Form
10. Reporting on Payment of Foreign Taxes
11. Report Format
12. Cash Advance Form
13. Branding Strategy and Marking Plan

10.2 USAID Approval

The program description must have clearly established goals that are realistic and measurable and for which it will be held accountable. The final program description and final budget are submitted to USAID as part of the request for approval.

Upon Contracting Officer's approval of individual grants valued at \$100,000 and above or non-competitively awarded, or Contracting Technical Officer approval for grants below \$100,000, the grantee and DAI's authorized representative, the COP, sign the grant agreement, making it valid.

Only the COP and the DAI Senior Contracts Administrator have the authority delegated by DAI/Bethesda to sign contracts and grants. Any contract, grant agreement, or modification whose amount exceeds the authorized delegations of authority requires signature by the DAI/Bethesda Director of Contracts or an action-specific, ad hoc delegation of authority from the Director of Contracts for signature in the field.

11. GRANT ADMINISTRATION

Award administration encompasses all dealings between OCSP officials and the recipient from the time the award is made until the end of the support. The specific nature and extent of administration will vary from award to award. It can range from reviewing and analyzing performance reports or performing site visits to more technically developed involvement for high-risk recipients.

Post award orientation with the grantee and OCSP technical staff is encouraged to clarify the roles and responsibilities of the OCSP officials who will administer the award. The Grants Manager shall serve as the mandatory control point of record for all official communication dealing with grant administration.

The Grants Manager shall provide for the continuing oversight by appropriate OCSP staff of the financial management aspects of the award through reviews of reports, correspondence, site visits, or other appropriate means. When deemed necessary, the Grants Manager may request or arrange for special audits of grantees. Within approximately one month of signing the grant award agreement, the grants finance officer and relevant program officer will conduct a financial management training session with grant recipients.

Site visits are an important part of effective award management. Joint site visits by senior staff and program officers are encouraged, since they can provide an effective review of the project. A brief report highlighting the findings is recommended. A copy of each report should be placed in the official grant file.

Grants are subject to the provisions established and included in each award. The Grants Manager, or designee in case of his/her absence, shall determine that the award does not contain administrative approvals that are in conflict with the grant provisions, stated regulations, or policies. The Grants Manager or his/her designee is responsible for processing all award modifications, suspensions, and termination actions.

11.1 Use and Disposition of Program Income

Program Income is defined as income earned by the grantee that is directly generated by a supported grant activity or earned as a result of the grant award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program income may be earned both from grantee activities and from services provided by an individual performing a role in the grant activity. The time-frame for earning program income is any income earned by a grantee during the grant period. "During the grant period" means between the effective date of the Grant Agreement and the end date of the grant as reflected in the final financial report.

Examples of program income include:

- Costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award and they comply with the cost principles applicable to the award funds.
- Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (Sec. Sec. 226.30 through 226.37).

The Grantee must inform OCSP of any program income generated under the grant and agrees to USAID's disposition of such program income which is in accordance with 22 CFR 226.24 in the Standard Provisions for US organizations and No.23 in the Standard Provisions for Non-US organizations.

Program Income earned during the project period shall be retained by the recipient and shall be used in one or more of the following ways:

- 1) Added to funds committed by OCSP and the recipient to the project or program, and used to further eligible project or program objectives.
- 2) Used to finance the non-U.S. Government share of the project or program.
- 3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the non-U.S. government share of costs is based:
 - a. When the agreement authorizes the disposition of program income as described in paragraph (1) or (2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph (3) of this section.
 - b. If the terms and conditions of the award do not specify how program income is to be used, paragraph (3) of this section shall apply automatically; program income in excess of the cost share amount may be applied in accordance with paragraph (1). Recipients which are commercial organizations may not apply paragraph (1) of this section.
 - c. Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the OCSP regarding program income earned after the end of the project period.
 - d. Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the U.S. Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35

U.S.C. 18) apply to inventions made under an experimental, developmental, or research awards.

11.2 Cash Disbursements

OCSP must ensure that the grantees have the ability to comply with 22 CFR 26, Parts 226.20-226.22. The Mandatory and Required Applicable Standard Provisions for Non-U.S., Non-Governmental Recipients that apply to cash disbursement grants will be incorporated into the grant agreement where applicable.

The financial questionnaire is used to assist in the process of evaluating a grantee's financial management capability. OCSP may also verify financial responsibility and institutional capacity by inspections of annual financial statements, audit reports, letters from other donors, and/or on-site visits. OCSP will ensure, at a minimum that the grantee's systems permit them to identify, segregate, accumulate and properly record all costs incurred under the grant.

Cash payments will be provided in such a way as to minimize the potential for waste or fraud. Payments based upon the recipient's incremental progress are acceptable. Reimbursement based on presentation of receipts and other justifying documents is the other authorized method of payment. These two methods of cash disbursement are described below:

1. Incremental Payments. In order to qualify for payments, the grantee's accounting and financial management systems must conform to standards for funds control and accountability required under USAID and Federal regulations (ADS 303.3.9 and 22 CFR 226.20 – 226.22). New grantees are free to use their existing accounting systems, so long as they meet those applicable standards as set forth in the CFR, the applicable Standard Provisions, and the financial questionnaire.
2. Other guiding principles to cash advance disbursements include:
 - a). Funds shall not be commingled with other recipient owned or controlled funds.
 - b). Grantees should liquidate any prior advances before new advances are released; and,
 - c). Advances shall be limited to the minimum amounts needed to meet current disbursement needs and only if a pre-award determination of responsibility has been made.
3. After the budget has been negotiated and the grant agreement has been signed, the grantee shall begin receiving disbursements for each upcoming benchmark (which should be at least monthly.) Benchmarks must be achieved before the specified disbursement is made.
4. OCSP shall make every effort to determine the grantees ability to manage and financially support the grant award.
5. All interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by OCSP (the "Separate Account"). DAI has no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be paid annually to USAID, as directed by the CTO. At the conclusion of the Contract, any funds remaining in the Separate Account shall be returned to USAID and any interest shall be refunded to the U.S. Government.

6. If a grantee's financial management systems do not conform to standards for receiving incremental payments, the grantee may still be eligible to receive reimbursements. As benchmarks are achieved, the grantee can submit the DAI Reimbursement Request form (based on Standard Form 1034 "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034). Each reimbursement shall be identified by the grant number and shall state the total costs for which reimbursement is being requested. The grantee shall attach all receipts and other appropriate documentation. This type of disbursement mechanism requires that the grantee have adequate cash flow. All Fixed Obligation Grants and Simplified Grants must be issued on a reimbursement basis.

11.3 Language

It is USAID policy that English shall be the official language of all award documents. If an award or any supporting documents are also provided in a foreign language it must be stated in each version that the English language version is the only official version (see ADS 303.5.17).

11.4 Termination and Suspension

Language must be included in the grant agreement giving OCSP and USAID the right to terminate a grant, in whole or part, or suspend payments, should the grantee become insolvent during the performance of the award or should the grantee not meet their responsibilities as set forth in the Grant Agreement. A termination letter will be placed in the grantee's file and include the following:

- The reasons for the termination;
- The effective date of termination;
- The portion to be terminated; and,
- The portion remaining (in case of partial termination).

USAID also has the right to terminate the grant activity (activities) unilaterally in extraordinary circumstances.

11.5 Monitoring, Reporting, and Audits

The grantee shall maintain books, records, documents, and other evidence relating to the USAID-sponsored project. Accounting records that are supported by documentation will at a minimum show all costs incurred under the grant agreement, receipt and use of goods and services acquired under the grant agreement, costs of the project supplied from other sources, the overall progress of the project, and the cost share obligation from grant recipients.

Grantees must report their cost-share contribution through required financial reports, accompanied by supporting documentation, as described in the Required as Applicable Provision on Cost Share, which is a Mandatory Provision for all OCSP grants (this provision can be found at : <http://www.usaid.gov/policy/ads/300/303maa.pdf> for U.S., Nongovernmental Recipients and at <http://www.usaid.gov/missions/sa/usaidsa/mandatorystandard.pdf> for Non U.S., Nongovernmental Recipients).

All grantees will be subject to regular and periodic monitoring visits and reporting requirements. All projects must submit a final report on activities supported by the grant. For projects completed in less than a six-month period, a final expense and activity report, including the

amount of cost share accompanied by supporting documents, must be submitted to OCSF grants personnel upon completion. For projects exceeding a six-month timeframe, quarterly expense and activity reports, in addition to a final expense and activity report (which includes the amount of cost-share accompanied by supporting documentation), must be submitted to OCSF, or as otherwise specified in the grant agreement.

OCSF must closely monitor overruns in cost/expenditure categories or main line items. If major budget shifts are anticipated or observed, it is prudent to issue a modification to ensure proper monitoring and to avoid overruns. Under certain circumstances, such as when a grant is over \$250,000, before grants are issued the grant agreement may specify that the grantee is restricted from transferring funds among cost/expenditure categories. Such a restriction would require the grantee to get prior approval from OCSF before making budget shifts that expect to exceed 10% of the total budget (for details see the "Revision of Budget" Provision - <http://www.usaid.gov/policy/ads/300/303maa.pdf> for U.S., Nongovernmental Recipients and <http://www.usaid.gov/missions/sa/usaidsa/mandatorystandard.pdf> for Non U.S., Nongovernmental Recipients).

Non-U.S. Grantees must be audited if they received more than \$300,000 in USAID funds during their fiscal year. Non-profit U.S. Grantees must be audited if they received more than \$500,000 in USAID funds during their fiscal year. The thresholds include USAID funds received from all USAID sources, not just USAID funds received through OCSF grants. OCSF may require that 1) grantees that spend less than the above thresholds and 2) for-profit grantees be audited. OCSF reserves the right to arrange for an audit at any time.

In some cases, OCSF may decide to cover costs of an audit through a grant, particularly for large grants. This might happen when the pre-award responsibility determination demonstrates that the organization is on the right track, but would benefit from regular audits to help the organization focus on ensuring its financial and accounting systems function properly.

Grantees are required to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or OCSF.

11.6 Records

The grantee shall maintain financial records, supporting documents, statistical records, and all other records pertinent to the award in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this award. Accounting records that are supported by documentation will at a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the grantee's records which pertain to this agreement shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by OCSF, USAID and/or its representatives. OCSF will open a grant file for each award and follow the guidance as set forth in Supplementary Reference ADS 303 "File Documentation Guidelines."

11.7 Publications and Media Releases

This provision is applicable when publications are financed under the award.

The grantee shall provide OCSP at least two copies of all published works developed under the award with lists of other written work produced under the award. At the end of the project, OCSP shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

Online (preferred): <http://www.dec.org/submit.cfm>

Mailing address: Document Acquisitions , USAID Development Experience Clearinghouse (DEC), 8403 Colesville Road Suite 210, Silver Spring, MD 20910-6368.

E-mail: docsubmit@dec.cdie.org

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5" diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication;

In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

11.8 Marking

All grantees must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or sub-award with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.

To ensure that the marking requirements "flow down" to sub-recipients of sub-awards, OCSP will include the USAID-approved marking provision in any USAID funded sub-award, as follows:

- As a condition of receipt of this sub-award, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient's, sub-recipient's, other donor's or third party's is required. In the event the recipient chooses not to require marking with its own identity or logo by the sub-recipient, USAID may, at its discretion, require marking by the sub-recipient with the USAID Identity.

- Any 'public communications', as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:
- This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID, the United States Government, or DAI.
- OSCP will provide the Cognizant Technical Officer (CTO) or other USAID personnel designated in the contract with two copies of all program and communications materials produced under the award. In addition, OSCP will submit one electronic or one hard copy of all final documents to USAID's Development Experience Clearinghouse.
- OSCP will require that the grantee submit a Marking Plan, to be approved by USAID as part of pre-award negotiations. The plan will include:
- A description of the program deliverables specified that the recipient will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.
- The type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,
- When in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking,

In certain cases, OSCP and/or the grantee may be exempted from USAID marking requirements. Further details regarding such exemptions and waivers can be found in the Mandatory Standard Provisions for both US and Non-US, Nongovernmental Recipients.

11.9 Amendments and Extension

Subject to Section 7, no additional competition is needed to amend an existing or follow-on award for the same activity that is a minor and administrative change, does not change the obligated amount or the purpose of the grant, is satisfactory to the grantee, and is promptly transmitted to the Contracting Officer. The Contracting Officer must give prior approval to all other amendments.

Approval by the relevant grants committees and prior written approval by the Contracting Officer is required for amendments to existing awards that involve any substantial change, extension, or expansion of previously approved grant activities.

The Grants Manager serves as the mandatory control point of receipt for all official communication that would constitute an amendment to the award. Amendments will be made by formal modifications to the basic award document.

11.10 Grantee Responsibilities

Each grant agreement will include a clause that states:

The grantee recipient has full responsibility for the conduct of the project or activity supported under an award and for adherence to the award conditions. Although the recipient is encouraged to seek the advice and opinion of OCSP on special problems that may arise, such advice does not diminish the recipient's responsibility for making sound technical and administrative judgments and should not imply that the responsibility for operating decisions has shifted to OCSP. The recipient is responsible for notifying DAI about any significant problems relating to the administrative or financial aspects of the award.

11.11 Conflict of Interest

In the review and implementation of grants, OCSP reserves the right to investigate an application or a grant due to any real or perceived conflict of interest. An employee or other involved party may have a conflict of interest if the party has a direct or indirect personal interest, financial or otherwise, in the outcome of a grant action, such as award, oversight, amendment, or termination.

In the event that OCSP determines that conflict of interest exists, OCSP may disqualify an application, terminate a grant, or recuse a staff member. A staff member who does not reveal a potential conflict of interest when it becomes apparent will be subject to disciplinary action, up to and including termination.

11.12 Grant Files and Closeout

USAID reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of organizations expending US government funds. The grant files will contain the essential documents to demonstrate that the grant was successfully completed and that funds were spent prudently with costs justified.

In order to prepare the grant files for closeout, the project will maintain an on-going official grant "Master File" or binder, which includes only the documents that need to be preserved in case of audit. This file will be clearly organized and easy to understand. An auditor with very little prior knowledge of the project will be able to quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for. At closeout, project staff will also ensure that all entries in the grants management database are complete, which will help guide an auditor through OCSP's grants management system.

The Master File will include:

I. Grant Documents

- Proposal from grantee
- Signed grant concurrence from USAID
- Negotiation memorandum
- Signed grant agreement
- Signed addenda to agreement, where applicable
- Any extensions or additional concurrence from USAID (including print-outs of concurrence emails), where applicable

Grants Manual

- Grant budget and any budget amendments
- Grant correspondence
- Grantee certifications and proof of debarment and terrorist financing searches
- Grantee determination of responsibility

2. Procurement Documents

- Bidding documentation (see Grantee Procurement Procedures below)
- Procurement negotiation memorandum
- In-kind agreements with vendors, if used
- If a single item worth \$5,000 or more was given to a grantee, the file must include an inventory list of such goods and equipment.

3. Financial Documents

- Financial reports from grantee (these can be stored separately, if organized by grant number)
- The financial documents themselves may be included in the grant file, or there can be a spreadsheet that cross-references grant payments with separate field-based Finance Department files. This permits an auditor to look up original receipts and other financial documentation for each grant as needed.

4. Reporting and Evaluation Documents

- Final reports from grantee
- Monitoring reports
- Impact assessments

Additional demonstration of activities (i.e. photographs, cassette tapes of radio PSA, video tapes of conference events, newspaper clippings, and so on.)

Grant paperwork beyond a single copy of the items on this checklist can be disposed of after closeout.

Closeout of grants awarded under the standard and simplified formats are conducted in accordance with 22 CFR 226.71. Within 30 days of completion of the entire activity or all milestones, the grantee shall provide a written certification that the activity for which this sub-grant was awarded has been fully completed.

Grant closeout for fixed obligations grants will be accomplished with acceptance of the final milestone, and the approval of final payment. Within 30 days of completion of the entire activity or all milestones, the grantee shall provide a written certification that the activity for which this sub-grant was awarded was completed.

The grants staff is responsible for ensuring that the grantee has completed all requirements for closeout and shall include information on grant closeouts in the monthly report of grant activities.

12. GRANTEE PROCUREMENT PROCEDURES

12.1 Procurement Standards

OCSP will establish standardized written procurement procedures for grantees. These procedures shall provide, at a minimum, that:

- The grantee will avoid purchasing unnecessary items;
- Where appropriate, OCSP or the grantee will determine whether lease and purchase alternatives is the most economical and practical procurement; and
- The grantee will document a price or cost analysis in its procurement files in connection with every procurement action. Price analysis will be accomplished in various ways, including the comparison price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine if it is reasonable, allocable, and allowable.
- For procurement elements or awards greater than \$10,000, further requirements may apply as found in the Procurement of Goods and Services (October 1998) clause from the Standard Mandatory Provisions for Non-U.S., Nongovernmental Recipients.

12.2 Allowable Costs/Eligibility Rules for Goods and Services

Expenses incurred under the grants program must meet the following criteria in order to be eligible for reimbursement:

Reasonable: Those costs that are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.

Allocable: Those costs that are incurred specifically for the award.

Allowable: Those costs that conform to any limitations in the award.

It is OCSP's goal to ensure that costs incurred are in accordance with the applicable set of Cost Principles under the Mandatory Standard Provision for Non-U.S., Non-Governmental Recipients (Allowable Costs). OCSP will determine which costs are allowable, allowable with prior approval, or unallowable, for Non-U.S. Non-Governmental grantees.

The following guidelines will be used during the budget review stage of grant proposal evaluation, before the grant agreement is approved, to determine if a questionable cost is allowable:

- I. Review OMB Circular A-122, Attachment B, a list of "Selected Items of Cost" which describes what is and is not allowable, or allowable under what circumstances (for example, "alcoholic beverages: Costs of alcoholic beverages are unallowable").

2. Review ADS 312 “Eligibility of Commodities” for more information if an item to be procured is a restricted good or service.
3. Determine whether the costs are reasonable, allocable, and allowable.
4. Contact the DAI home office for review and decision when appropriate.
5. Prior to incurring a questionable cost, obtain USAID’s written determination on whether the cost will be allowable. (This should be done even for cash disbursements, as OCSP is accountable for the use of funds provided to the grantees.)

The grantee will also adhere to the list of ineligible goods and services clause from the list in ADS 312 “Eligibility of Commodities”. The following restricted goods and services shall not be procured without the prior approval of the Agreement Officer:

- Agricultural commodities;
- Motor vehicles;
- Pharmaceuticals;
- Pesticides;
- Used equipment;
- U.S. Government-owned excess property; and,
- Fertilizer.

The Required as Applicable Provision entitled USAID Eligibility Rules for Goods and Services shall apply to all standard form grants issued under this program.

12.3 Source, Origin, and Nationality

The authorized geographic code for OCSP is 000 (United States) and Indonesia. OCSP’s program is designed to adhere to these requirements.

12.4 Recommended Procurement Procedures for In-Kind Commodities, by Dollar Amount

Procurement Amounts	Action(s) Taken	Forms To File
If total anticipated price is less than \$500	Purchase as needed at market price—no paperwork other than receipt for billing purposes needed.	None
If total anticipated price (total payment to vendor, not per item) is between \$500 and less than \$2500	Must document attempt to get three bids or price quotes (by verbal solicitation verbally) - Memo to File must include: <ul style="list-style-type: none"> - Company names - tel. # - date contacted - price quoted 	Memo to File

Procurement Amounts	Action(s) Taken	Forms To File
If total anticipated price is between \$2500 and less than \$10,000	Must get three verbal bids or price quotes from vendors. Must create a Bid Comparison Matrix listing prices, vendors, name of contact person, address and telephone number, availability, and reason for choice.	Bid Comparison Matrix
If total anticipated price is between \$10,000 and less than \$100,000	Must get three written bids from vendors, and create a Bid Comparison Matrix. Must stipulate Selection Criteria Must convene a bid committee to review the bids together.	Bid Comparison Matrix Copies of vendor bids Bid Decision Memo to File
\$100,000 or more	Must issue formal bid documents, such as a Request For Quotes (RFQ). Must stipulate Selection Criteria Must convene a bid committee.	Copy of RFQ and responses. Bid Comparison Matrix Bid Decision Memo to file CO Approval(as needed)

The bid committee should be made up of at least 3 people: generally the COP, Grants Manager, and Finance Manager. The committee members should each sign the Bid Committee form, which confirms choice of the vendor for this procurement. This document should be attached to the bidding documents and put into the file.

OCSF should avoid the practice of purchasing off the shelf items from one vendor in an exclusive or repeated manner. For routine purchases, OCSF should work with several vendors, encouraging them to improve their responsiveness. The COP may elect to draw up a short list of pre-qualified vendors, setting up a working agreement with them for routine purchases.

12.5 Equipment

Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. If the grant budget includes equipment the Provision for Non-U.S. Non-Governmental Recipients (Title to and Use of Property, Recipient Title) will be incorporated into the Grant Agreement.

Under the simplified grants, the Grants Manager must approve the purchase of equipment over \$5,000, and applicable provisions must be included in the grant format. In turn, the USAID Contracting Officer must also approve such a purchase. The purchase of equipment with a value exceeding \$5,000 is not authorized under a Fixed Obligation grant.

The grantee is required to use and maintain the equipment for the purpose of the award in accordance with the applicable standard provision summarized below:

- The recipient is required to maintain equipment records that include the description of the equipment, the source of the equipment, the title holder, the serial number or other identification, the acquisition date, the cost of equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment.

- The recipient is required to take an annual physical inventory of the equipment and reconcile the results with the equipment records and submit a copy of the physical inventory to OCSP.
- In the grant agreement, the grantee will agree to indemnify DAI and its Officers and Directors, including cost of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of DAI's insurance policies, but not limited by the scope of such policies. DAI and USAID do not assume liability for third party claims for damages arising out of any grant.

12.6 Supplies

Supplies are all property, excluding equipment. In accordance with the applicable Standard Provisions, title to supplies and other expendable property shall vest in the grantee upon acquisition.

If, for example, an in-kind grant awarded for repairing a community meeting room was budgeted 100 sacks of cement, but only 80 sacks were used, the remaining 20 sacks would remain the property of OCSP, perhaps to provide a different grantee with cement. However, if this same grant were implemented through cash disbursements and the grantee purchased 100 sacks of cement but only used 80 sacks, the grantee must calculate the residual inventory. If unused supplies exceeds \$5,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for other USAID or U.S. government-funded project or program, the grantee may retain the supplies for use on non-federal activities or sell them, but would in either case have to compensate the federal government for its share.

12.7 Travel

OCSP must obtain USAID Contracting Officer approval to use grant funds in support of international travel where applicable and necessary. Guidance will be followed as set forth in the Required as Applicable Standard Provision for Non-U.S. Non-Governmental Recipients (International Air Travel and Transportation).

For grantees receiving cash disbursements for travel, the Standard Provision (referenced above) must be followed and incorporated in to the grant agreement. If the grant is in-kind (that is, OCSP negotiates and purchases the tickets for the grantee), OCSP must follow Standard Provisions when approving travel and purchasing the tickets. In either case, the Fly America Act applies at all times.

Annex A: Sample Memorandum of Negotiation

Grantee: Jane Goodall Institute – Uganda (JGI)
DAI Prime Contract No. 617-C-00-03-00011-00, PRIME/West

Budongo Forest Ecotourism Project.

As a Grantee, Jane Goodall Institute – Uganda (JGI) will support DAI in the implementation of the PRIME/West activity. This Grant will be funded through the PRIME/West Special Activities Fund (SAF). JGI will support PRIME/West in implementing the Budongo Forest Ecotourism Project. Specifically, JGI will carry out activities that increase the revenue generated from non-extractive activities that enable financial support to conservation of Budongo Forest Reserve by; establishing management and revenue sharing Agreements between NFA and the Grantee for the long term management of Kaniyo Pabidi and Busingiro sites; training field personnel in ecotourism activities in chimpanzee ecology and habituation, forest ecology together with interpretative principles; The Grantee will improve visitor facilities at Kaniyo Pabidi and Busingiro by building a new visitor centre, accommodation and amenities, renovation of existing buildings at Busingiro, and extension to the existing trail network within the forest. The Grantee will train communities in conservation issues, will establish an operational environmental education centre at Busingiro and implement an ongoing educational programme for primary school children within the peripheries of the of the reserve.

A summary of the procurement process for this Grant is outlined below:

- The potential Grantee submitted an unsolicited concept paper that was reviewed and evaluated together with other unsolicited concept papers and proposals that had been received. Other unsolicited concept papers and proposals were received from the following applicants;
 - i. Abanya - Rwenzori Mountaineering Association (AMA),
 - ii. Classic Africa Safaris
 - iii. Association for the Advancement of Sustainable Rural Development (ASASURUDE)
 - iv. Community Volunteer Initiative for Development (COVOID)
 - v. Volcanoes Safaris.
- The concept papers and proposals were circulated to the SAF review and evaluation panel members (composed of the project CTO, PRIME/West SAF Manager, COP, and two PRIME/West Team Leaders) on March 01, 2006 and they were competitively reviewed in accordance with ADS303, the approved PRIME/West SAF policy and procedures manual and with reference to their linkage in contributing to PRIME/West's activities and results as well as fitting within USAID programmatic Objective number 7 (SO7). Of all the five applicants, the review and evaluation panel approved Jane Goodall Institute. A written evaluation of the application was prepared by the review panel and is on file at the PRIME/West office.
- As a result of discussions between PRIME/West and the Awardee, a final submission was received.

Grants Manual

- The SAF Manager circulated the final submission to PRIME/West technical staff for their comments and it was on the basis of the comments that were received and discussions with the Awardee that the final program description was developed.
- The uniqueness, proprietary ness and innovativeness of the activity to merit USAID funding and how it fits within USAID SO7 is attached in a separate communication.
- The PRIME/West SAF Manager conducted a pre-award responsibility and due diligence assessment of the awardee. The pre-award responsibility assessment was conducted in accordance with ADS E303.5.9 (b,) and (c.) as well as PRIME/West's policies and procedures. The assessment included:
 - Obtaining copies of and reviewing independent audited financial statements for the last three years (2003, 2004 and 2005) prepared by a certified public accountant.
 - The quality of the applicant's past performance on previous projects funded by USAID and other agencies. JGI has a long-standing reputation and a wealth of experience with US Government-funded projects and has exhibited the ability to comply with the terms and conditions of the funding agreement, and to meet both the program objectives and financial requirements of the agreement.
 - Obtained copies of the applicant's projected budget, cash flow and organizational charts in order to determine the sufficiency of the Awardee's policies and systems to implement the proposed activity. It was observed that JGI has a detailed policy and procedures manual that includes the preparation and approval of cost applications, treasury and cash management, labor distribution, reporting and the payroll, procurement, acquisition, maintenance and disposal of property, reporting, internal and external audits and monitoring and financial oversight. A copy of the manual is available on file at the PRIME/West office. A verification of transactions from the original documents to entry into the financial system to the production of reports was done to obtain reasonable satisfaction that the policies and procedures in the manual are complied with on a day-to-day basis and that the financial system is capable of meeting PRIME/West's reporting requirements
 - PRIME/West's Chief of Party and Cognizant Technical Officer (CTO) conducted an on-site verification of the proposed ecotourism construction site to ensure its appropriateness for construction of the ecotourism site and nothing came to their attention as to develop reservations in this award.
 - An assessment of the infrastructure required to implement the activity was done. It was discovered that the Grantee possesses the necessary infrastructure to implement the activity. For example, JGI has a vehicle that will be devoted to this activity.
 - A review of the Grantee's legal registration status was done.

Overall, there was nothing discovered during the assessment that would potentially curtail the implementation of this activity.

- The SAF team, Home Office Project Associate and Senior Contracts Administrator conducted a detailed review of the potential Awardee's budget. The parties reached agreement on all of the budget items as follows:

Personnel salaries: The daily rates for all employees were reviewed and were deemed to be adequate and consistent with the market rates and DAI's historical rates paid in Uganda for similar positions. The salary rates used for current JGI employees are based on their current salary rates. Other checks that were done with respect to personnel salaries are similar those included the Negotiation Memorandum for JGI's environmental education activity.

Short-term technical assistance (STTA): The potential Awardee will rely on local consultants to fulfill the construction consultant, facilitators for workshops as well as facilitators for interpreters' training roles. The daily rate for the facilitator is based on the rates that the National Environmental Management Authority (NEMA) pays for facilitation of similar work. The daily rate for the construction consultant is budgeted at USD150 since this building using log cabins is a fairly new concept in Uganda and there will require attracting a highly qualified person. These rates are adequate and consistent with the market rates and DAI's historical rates paid in Uganda for similar positions. The LOE for each consultant was agreed to be adequate

Other Direct Costs (ODCs): Below is what was agreed upon:

- Office rent - Since implementation of the PRIME/West Grant will take up approximately 1/3 of JGI's staff time, it was decided that 1/3 of the current rent of \$400/month would be divided between PRIME/West and JGI. The cost share agreed upon was 2/3 for PRIME/West and 1/3 for JGI. The current rental agreement of \$400 per month was used in determining the rent budget figure and a copy is on file.
- Office supplies – The budget figure for office supplies was determined by looking at previous expenditures for office supplies. It was decided that the budget should be based on 30% of their normal monthly costs for office supplies. Copies of expenditures for office supplies for previous months are on file and these rates are not expected to vary much during the implementation of this project. Therefore the figure incorporated into the budget is reasonable to implement the activity given the anticipated expenditures during the implementation period.
- Office Utilities - The utilities budget figure was determined by looking at previous expenditures for office utilities. It was decided that the budget should be based on 30% of their normal monthly utility costs. Copies of the utilities expenditures in recent months are on file and these rates are not expected to vary much during the implementation of this project. Therefore the figure incorporated into the budget is reasonable to implement the activity given the anticipated expenditures during the implementation period.
- Communications - The budget was based on 30% of the current monthly expenditures for mobile phone calls, internet access and land line phone calls.
- Equipment maintenance and service - The budget is based on previous expenditures for maintenance and service and the budget was agreed to be reasonable given the anticipated level of activity.

In addition to the above, it was verified that the items included under ODCs were not double counted under General Administration costs.

Per Diem-Lodging, meals and other incidentals: JGI's policy is not to give employees a flat daily rate for per diem but instead they pay directly for the lodging and meals of all employees while they are participating in training sessions and activities. The budget figure for per diem is based on a rate of \$30.35 per day for the accommodation and meals of two JGI staff members in the field. It was determined that the estimated number of days and staff in the field per month are adequate. The budgeted expenditures for fuel are based on the anticipated level of activity. It also includes stipends and transport refunds for volunteers.

Project Activities: For each of the project activities to be undertaken, detailed budget requirements were discussed and agreed upon. Amendments were made to budget lines as necessary to provide further clarity on the activities to be implemented. Specific cost information on some of the budget items include:

- Construction of a dormitory for visitors, log cabins and visitors centre. The cost is based on quotations received from Romeco Limited by the Awardee. PRIME/West Kampala office has copies of the quotations on file.
- Other construction/renovation costs (at Paniyo Padibi and Busingiro sites); These are based on reasonable estimates obtained by the Grantee and are in line with similar costs incurred by National Forestry Authority (NFA) on similar expenditure.
- Trail cutting and maintenance and other casual labor costs; Current market costs for similar work are budgeted for.
- Trainings and workshops; Detailed budget requirements were discussed and agreed. The costs are reasonable to conduct the activities.

Procurements: Non-expendable items:

- Laptop computer and motorcycle; PRIME/West procured a laptop computer and motorcycle under the implementation of the NatureUganda Subcontract. Thus PRIME/West already has the cost information for these non-expendable items proposed under this award and the budget was adjusted to reflect costs approved and incurred on similar expenditures in the past by PRIME/West.
- "Solar Equipment (Solar panels/batteries/inverter /regulator/changeover); Three quotations were solicited by the Awardee and the budget is based on the lowest of the three quotations. Copies of the quotations are available at the PRIME/West Office in Kampala."
- Digital SLR camera and corresponding lens and GPS/Radio Unit; Quotations obtained from the internet as obtained by JGI with copies in the PRIME/West Kampala office.

- Expendable items; The unit cost prices for the range finder, energy saving torches, binoculars and backpacks were obtained from quotations on the internet by JGI. Copies are on file in the PRIME/West Kampala Office. Other expendable item unit cost prices are reasonable and in line with market prices and quotations were therefore not obtained.
- A cost share contribution was requested of the Awardee. The Awardee agreed to a 22% contribution/cost share of the total program cost of \$469,682, which amounts to \$101,398.
- Draft documents were prepared and submitted to the home office Senior Contracts Administrator for review and subsequent submission to USAID. The SAF team in coordination with the Home Office Senior Contracts Administrator further evaluated the cost proposal and requested clarification and revisions as required.
- DAI determined the revised cost proposal from the subcontractor to be fair and reasonable, and within program projections. The proposal was consistent with the Awardee's cost accounting practices, policies, and procedures.
- The Awardee signed the certifications regarding terrorist financing as required by AAPD 04-14. The Awardee also provided a branding strategy and marking plan as required by AAPD 05-11. As required by AAPD 02-04, DAI checked the "SDN & Blocked Persons" to ensure that the names of the Awardee and proposed individuals to implement the activity are not on the list.
- DAI expects to award a cost-reimbursable Grant based on the proposed and agreed to ceiling. All applicable mandatory and standard provisions have been incorporated into the Grant document attached.

Negotiation Summary

Principal Elements of the Negotiations

- Agreement on award type
- Agreement on period of performance
- Agreement on Daily Rates
- Agreement on estimated hours
- Agreement on benchmarks and deliverables
- Agreement on estimated ODCs
- Agreement on total cost and price
- Significant Considerations Affecting Establishment of Initial or Revised Prices.
- The Awardee's proposed daily rates are within an acceptable range considering historical information and market standards for the industry. The proposed ODCs were found to be reasonable and acceptable to meet program requirements.

Cost Accounting Standards (CAS)

Grants Manual

DAI has determined that the Grantee maintains an accounting system that is sufficient to properly accumulate and allocate costs incurred under this program. A copy of the accounting and policy manual is available on file at the Kampala office.

Explanation of Incentive Fee or Profit Plan When Incentives Are Used

- No incentives were used in negotiating the Grant price.
- Negotiation Results
- Upon completion of negotiations, the agreed to amount of the grant is as follows:
 - Grant Type: Cost-reimbursable
 - Period of Performance: April 2006 – March 2008
 - Daily Rates (See Detailed Grant Budget attached)
 - Estimated Hours: (See Detailed Grant Budget attached)
 - Estimated ODCs: (See Detailed Grant Budget attached)

Total Price/Ceiling: US\$ 356,170

Annex B: Assistance on Branding strategy and Marking Plan and Provision regarding Marking under USAID-Funded Assistance Instruments

I. BRANDING STRATEGY - ASSISTANCE

(a) Definitions

Branding Strategy means a strategy that is submitted at the specific request of a USAID Agreement Officer by an Apparently Successful Applicant after evaluation of an application for USAID funding, describing how the program, project, or activity is named and positioned, and how it is promoted and communicated to beneficiaries and host country citizens. It identifies all donors and explains how they will be acknowledged.

Apparently Successful Applicant(s) means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Agreement Officer. The Agreement Officer will request that the Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently Successful Applicant status confers no right and constitutes no USAID commitment to an award. **USAID**

Identity (Identity) means the official marking for the Agency, comprised of the USAID logo and new landmark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and is provided without royalty, license, or other fee to recipients of USAID-funded grants or cooperative agreements or other assistance awards or subawards.

(b) Submission.

The Apparently Successful Applicant, upon request of the Agreement Officer, will submit and negotiate a Branding Strategy. The Branding Strategy will be included in and made a part of the resulting grant or cooperative agreement. The Branding Strategy will be negotiated within the time that the Agreement Officer specifies. Failure to submit and negotiate a Branding Strategy will make the applicant ineligible for award of a grant or cooperative agreement. The Apparently Successful Applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events and materials, and the like.

(c) Submission Requirements

At a minimum, the Apparently Successful Applicant's Branding Strategy will address the following:

(1) Positioning

What is the intended name of this program, project, or activity?

Guidelines: USAID prefers to have the USAID Identity included as part of the program or project name, such as a "title sponsor," if possible and appropriate. It is acceptable to "co-brand" the title with USAID's and the Apparently Successful Applicant's identities. For example: "The USAID and [Apparently Successful Applicant] Health Center."

If it would be inappropriate or is not possible to “brand” the project this way, such as when rehabilitating a structure that already exists or if there are multiple donors, please explain and indicate how you intend to showcase USAID’s involvement in publicizing the program or project. For example: School #123, rehabilitated by USAID and [Apparently Successful Applicant]/ [other donors]. Note: the Agency prefers “made possible by (or with) the generous support of the American People” next to the USAID Identity in acknowledging our contribution, instead of the phrase “funded by.” USAID prefers local language translations.

- Will a program logo be developed and used consistently to identify this program? If yes, please attach a copy of the proposed program logo.
- Note: USAID prefers to fund projects that do NOT have a separate logo or identity that competes with the USAID Identity.

(2) Program Communications and Publicity

Who are the primary and secondary audiences for this project or program?

Guidelines: Please include direct beneficiaries and any special target segments or influencers.

For Example: Primary audience: schoolgirls age 8-12, Secondary audience: teachers and parents—specifically mothers.

What communications or program materials will be used to explain or market the program to beneficiaries?

- Guidelines: These include training materials, posters, pamphlets, Public Service Announcements, billboards, websites, and so forth.

What is the main program message(s)?

Guidelines: For example: “Be tested for HIV-AIDS” or “Have your child inoculated.”

Please indicate if you also plan to incorporate USAID’s primary message – this aid is “from the American people” – into the narrative of program materials. This is optional; however, marking with the USAID Identity is required.

- Will the recipient announce and promote publicly this program or project to host country citizens? If yes, what press and promotional activities are planned?
- Guidelines: These may include media releases, press conferences, public events, and so forth. Note: incorporating the message, “USAID from the American People”, and the USAID Identity is required.
- Please provide any additional ideas about how to increase awareness that the American people support this project or program.
- Guidelines: One of our goals is to ensure that both beneficiaries and host-country citizens know that the aid the Agency is providing is “from the American people.” Please provide any initial ideas on how to further this goal.

(3) Acknowledgements

Will there be any direct involvement from a host-country government ministry? If yes, please indicate which one or ones. Will the recipient acknowledge the ministry as an additional co-sponsor?

Note: it is perfectly acceptable and often encouraged for USAID to “co-brand” programs with government ministries.

Please indicate if there are any other groups whose logo or identity the recipient will use on program materials and related communications.

Guidelines: Please indicate if they are also a donor or why they will be visibly acknowledged, and if they will receive the same prominence as USAID.

(d) Award Criteria.

The Agreement Officer will review the Branding Strategy for adequacy, ensuring that it contains the required information on naming and positioning the USAID-funded program, project, or activity, and promoting and communicating it to cooperating country beneficiaries and citizens. The Agreement Officer also will evaluate this information to ensure that it is consistent with the stated objectives of the award; with the Apparently Successful Applicant’s cost data submissions; with the Apparently Successful Applicant’s project, activity, or program performance plan; and with the regulatory requirements set out in 22 CFR 226.91. The Agreement Officer may obtain advice and recommendations from technical experts while performing the evaluation.

II. MARKING PLAN – ASSISTANCE

(a) Definitions

Marking Plan means a plan that the Apparently Successful Applicant submits at the specific request of a USAID Agreement Officer after evaluation of an application for USAID funding, detailing the public communications, commodities, and program materials and other items that will visibly bear the USAID Identity. Recipients may request approval of Presumptive Exceptions to marking requirements in the Marking Plan.

Apparently Successful Applicant(s) means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Agreement Officer. The Agreement Officer will request that Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently Successful Applicant status confers no right and constitutes no USAID commitment to an award, which the Agreement Officer must still obligate.

USAID Identity (Identity) means the official marking for the Agency, comprised of the USAID logo and new brandmark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, cooperative agreements, or other assistance awards or subawards. A Presumptive

Exception exempts the applicant from the general marking requirements for a particular USAID-funded public communication, commodity, program material or other deliverable, or a category of USAID-funded public communications, commodities, program materials or other deliverables that would otherwise be required to visibly bear the USAID Identity. The Presumptive Exceptions are:

- Presumptive Exception (i). USAID marking requirements may not apply if they would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials, such as election monitoring or ballots, and voter information literature; political party support or public policy advocacy or reform; independent media, such as television and radio broadcasts, newspaper articles and editorials; and public service announcements or public opinion polls and surveys (22 C.F.R. 226.91(h)(1)).
- Presumptive Exception (ii). USAID marking requirements may not apply if they would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent (22 C.F.R. 226.91(h)(2)).
- Presumptive Exception (iii). USAID marking requirements may not apply if they would undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as “by” or “from” a cooperating country ministry or government official (22 C.F.R. 226.91(h)(3)).
- Presumptive Exception (iv). USAID marking requirements may not apply if they would impair the functionality of an item, such as sterilized equipment or spare parts (22 C.F.R. 226.91(h)(4)).
- Presumptive Exception (v). USAID marking requirements may not apply if they would incur substantial costs or be impractical, such as items too small or otherwise unsuited for individual marking, such as food in bulk (22 C.F.R. 226.91(h)(5)).
- Presumptive Exception (vi). USAID marking requirements may not apply if they would offend local cultural or social norms, or be considered inappropriate on such items as condoms, toilets, bed pans, or similar commodities (22 C.F.R. 226.91(h)(6)).
- Presumptive Exception (vii). USAID marking requirements may not apply if they would conflict with international law (22 C.F.R. 226.91(h)(7)).

(b) Submission.

The Apparently Successful Applicant, upon the request of the Agreement Officer, will submit and negotiate a Marking Plan that addresses the details of the public communications, commodities, program materials that will visibly bear the USAID Identity. The marking plan will be customized for the particular program, project, or activity under the resultant grant or cooperative agreement. The plan will be included in and made a part of the resulting grant or cooperative agreement. USAID and the Apparently Successful Applicant will negotiate the Marking Plan within the time specified by the Agreement Officer. Failure to submit and negotiate a Marking Plan will make the applicant ineligible for award of a grant or cooperative agreement. The applicant must include an estimate of all costs associated with branding and marking USAID programs, such as plaques, labels, banners, press events, promotional materials, and so forth in the budget portion of its application. These costs are subject to revision and negotiation with the Agreement Officer upon submission of

the Marking Plan and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

- (c) Submission Requirements. The Marking Plan will include the following:
 - (1) A description of the public communications, commodities, and program materials that the recipient will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity. These include:
 - (i) program, project, or activity sites funded by USAID, including visible infrastructure projects or other programs, projects, or activities that are physical in nature;
 - (ii) technical assistance, studies, reports, papers, publications, audiovisual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID;
 - (iii) events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences, and other public activities; and
 - (iv) all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies and other materials funded by USAID, and their export packaging.
 - (2) A table specifying:
 - (i) the program deliverables that the recipient will mark with the USAID Identity,
 - (ii) the type of marking and what materials the applicant will be used to mark the program deliverables with the USAID Identity, and
 - (iii) when in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking.
 - (3) A table specifying:
 - (i) what program deliverables will not be marked with the USAID Identity, and
 - (ii) the rationale for not marking these program deliverables.
- (d) Presumptive Exceptions.
 - (1) The Apparently Successful Applicant may request a Presumptive Exception as part of the overall Marking Plan submission. To request a Presumptive Exception, the Apparently Successful Applicant must identify which Presumptive Exception applies, and state why, in light of the Apparently Successful Applicant's technical proposal and in the context of the program description or program statement in the USAID Request For Application or Annual Program Statement, marking requirements should not be required.
 - (2) Specific guidelines for addressing each Presumptive Exception are:
 - (i) For Presumptive Exception (i), identify the USAID Strategic Objective, Interim Result, or program goal furthered by an appearance of neutrality, or state why the program, project, activity, commodity, or communication is 'intrinsically neutral.' Identify, by category or deliverable item, examples of program materials funded under the award for which you are seeking an exception.
 - (ii) For Presumptive Exception (ii), state what data, studies, or other deliverables will be produced under the USAID funded award, and

- explain why the data, studies, or deliverables must be seen as credible.
- (iii) For Presumptive Exception (iii), identify the item or media product produced under the USAID funded award, and explain why each item or product, or category of item and product, is better positioned as an item or product produced by the cooperating country government.
 - (iv) For Presumptive Exception (iv), identify the item or commodity to be marked, or categories of items or commodities, and explain how marking would impair the item's or commodity's functionality.
 - (v) For Presumptive Exception (v), explain why marking would not be cost beneficial or practical.
 - (vi) For Presumptive Exception (vi), identify the relevant cultural or social norm, and explain why marking would violate that norm or otherwise be inappropriate.
 - (vii) For Presumptive Exception (vii), identify the applicable international law violated by marking.
- (3) The Agreement Officer will review the request for adequacy and reasonableness.
- In consultation with the Cognizant Technical Officer and other agency personnel as necessary, the Agreement Officer will approve or disapprove the requested Presumptive Exception. Approved exceptions will be made part of the approved Marking Plan, and will apply for the term of the award, unless provided otherwise.
- (e) Award Criteria: The Agreement Officer will review the Marking Plan for adequacy and reasonableness, ensuring that it contains sufficient detail and information concerning public communications, commodities, and program materials that will visibly bear the USAID Identity. The Agreement Officer will evaluate the plan to ensure that it is consistent with the stated objectives of the award; with the applicant's cost data submissions; with the applicant's actual project, activity, or program performance plan; and with the regulatory requirements of 22 C.F.R. 226.91. The Agreement Officer will approve or disapprove any requested Presumptive Exceptions (see paragraph (d)) on the basis of adequacy and reasonableness. The Agreement Officer may obtain advice and recommendations from technical experts while performing the evaluation.

III. PROVISION: MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS

(a) Definitions

Commodities mean any material, article, supply, goods or equipment, excluding recipient offices, vehicles, and non-deliverable items for recipient's internal use, in administration of the USAID funded grant, cooperative agreement, or other agreement or sub-agreement.

Principal Officer means the most senior officer in a USAID Operating Unit in the field, e.g., USAID Mission Director or USAID Representative. For global programs managed from Washington but executed across many countries, such as disaster relief and assistance to internally displaced persons, humanitarian emergencies or immediate post conflict and political crisis response, the cognizant Principal Officer may be an Office Director, for example, the Directors of USAID/W/Office of Foreign Disaster

Assistance and Office of Transition Initiatives. For non-presence countries, the cognizant Principal Officer is the Senior USAID officer in a regional USAID Operating Unit responsible for the non-presence country, or in the absence of such a responsible operating unit, the Principal U.S Diplomatic Officer in the non-presence country exercising delegated authority from USAID.

Programs mean an organized set of activities and allocation of resources directed toward a common purpose, objective, or goal undertaken or proposed by an organization to carry out the responsibilities assigned to it.

Projects include all the marginal costs of inputs (including the proposed investment) technically required to produce a discrete marketable output or a desired result (for example, services from a fully functional water/sewage treatment facility).

Public communications are documents and messages intended for distribution to audiences external to the recipient's organization. They include, but are not limited to, correspondence, publications, studies, reports, audio visual productions, and other informational products; applications, forms, press and promotional materials used in connection with USAID funded programs, projects or activities, including signage and plaques; Web sites/Internet activities; and events such as training courses, conferences, seminars, press conferences and so forth.

Subrecipient means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID subaward, as defined in 22 C.F.R. 226.2. Technical Assistance means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID recipients, and through such recipients to subrecipients, in direct support of a development objective – as opposed to the internal management of the foreign assistance program.

USAID Identity (Identity) means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new brandmark, with the tagline that clearly communicates that our assistance is "from the American people." The USAID Identity is available on the USAID website at www.usaid.gov/branding and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, or cooperative agreements, or other assistance awards

- (b) Marking of Program Deliverables
 - (1) All recipients must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or subaward with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.
 - (2) The Recipient will mark all program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) with the USAID Identity. The Recipient should erect temporary signs or plaques early in the construction or implementation phase. When construction or implementation is complete, the Recipient must install a permanent, durable sign, plaque or other marking.

- (3) The Recipient will mark technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID with the USAID Identity.
- (4) The Recipient will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID Identity. Unless directly prohibited and as appropriate to the surroundings, recipients should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the recipient is encouraged otherwise to acknowledge USAID and the American people's support.
- (5) The Recipient will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.
- (6) The Agreement Officer may require the USAID Identity to be larger and more prominent if it is the majority donor, or to require that a cooperating country government's identity be larger and more prominent if circumstances warrant, and as appropriate depending on the audience, program goals, and materials produced.
- (7) The Agreement Officer may require marking with the USAID Identity in the event that the recipient does not choose to mark with its own identity or logo.
- (8) The Agreement Officer may require a pre-production review of USAID-funded public communications and program materials for compliance with the approved Marking Plan.
- (9) Subrecipients. To ensure that the marking requirements "flow down" to subrecipients of subawards, recipients of USAID funded grants and cooperative agreements or other assistance awards will include the USAID-approved marking provision in any USAID funded subaward, as follows:

"As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient's, subrecipient's, other donor's or third party's is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity."

(10) Any 'public communications', as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

"This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID or the United States Government."

- (11) The recipient will provide the Cognizant Technical Officer (CTO) or other USAID personnel designated in the grant or cooperative agreement with two copies of all program and communications materials produced under the award. In addition, the recipient will submit one electronic or one hard copy of all final documents to USAID's Development Experience Clearinghouse.
- (c) Implementation of marking requirements.
- (1) When the grant or cooperative agreement contains an approved Marking Plan, the recipient will implement the requirements of this provision following the approved Marking Plan.
 - (2) When the grant or cooperative agreement does not contain an approved Marking Plan, the recipient will propose and submit a plan for implementing the requirements of this provision within [Agreement Officer fill-in] days after the effective date of this provision. The plan will include:
 - (i) A description of the program deliverables specified in paragraph (b) of this provision that the recipient will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.
 - (ii) the type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,
 - (iii) when in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking,
 - (3) The recipient may request program deliverables not be marked with the USAID Identity by identifying the program deliverables and providing a rationale for not marking these program deliverables. Program deliverables may be exempted from USAID marking requirements when:
 - (i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;
 - (ii) USAID marking requirements would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;
 - (iii) USAID marking requirements would undercut host-country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as "by" or "from" a cooperating country ministry or government official;
 - (iv) USAID marking requirements would impair the functionality of an item;
 - (v) USAID marking requirements would incur substantial costs or be impractical;
 - (vi) USAID marking requirements would offend local cultural or social norms, or be considered inappropriate;
 - (vii) USAID marking requirements would conflict with international law.
 - (4) The proposed plan for implementing the requirements of this provision, including any proposed exemptions, will be negotiated within the time specified by the Agreement Officer after receipt of the proposed plan. Failure to negotiate an approved plan with the time specified by the Agreement Officer may be considered as noncompliance with the requirements is provision.

- (d) Waivers.
- (1) The recipient may request a waiver of the Marking Plan or of the marking requirements of this provision, in whole or in part, for each program, project, activity, public communication or commodity, or, in exceptional circumstances, for a region or country, when USAID required marking would pose compelling political, safety, or security concerns, or when marking would have an adverse impact in the cooperating country. The recipient will submit the request through the Cognizant Technical Officer. The Principal Officer is responsible for approvals or disapprovals of waiver requests.
 - (2) The request will describe the compelling political, safety, security concerns, or adverse impact that require a waiver, detail the circumstances and rationale for the waiver, detail the specific requirements to be waived, the specific portion of the Marking Plan to be waived, or specific marking to be waived, and include a description of how program materials will be marked (if at all) if the USAID Identity is removed. The request should also provide a rationale for any use of recipient's own identity/logo or that of a third party on materials that will be subject to the waiver.
 - (3) Approved waivers are not limited in duration but are subject to Principal Officer review at any time, due to changed circumstances.
 - (4) Approved waivers "flow down" to recipients of subawards unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.
 - (5) Determinations regarding waiver requests are subject to appeal to the Principal Officer's cognizant Assistant Administrator. The recipient may appeal by submitting a written request to reconsider the Principal Officer's waiver determination to the cognizant Assistant Administrator.
- (e) Non-retroactivity. The requirements of this provision do not apply to any materials, events, or commodities produced prior to January 2, 2006. The requirements of this provision do not apply to program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) where the construction and implementation of these are complete prior to January 2, 2006 and the period of the grant does not extend past January 2, 2006.